

AR48



ANUK RIVER MINES LTD. (N.P.L.) • 1969 ANNUAL REPORT



COVER STORY

Cover photo shows oil exploration rig in action on Alaska's exciting North Slope near Prudhoe Bay where Anuk has gross overriding royalty interests on extensive oil leases held by Home, Shell, Standard of California, Humble, Atlantic-Richfield, Pan Am, Sun, Mobil-Phillips, and Atlantic-Richfield-Humble.



ANUK RIVER MINES LTD. (N.P.L.)

Executive Offices

Suite 100,
890 West Pender Street,
Vancouver, British Columbia

Banking

The Mercantile Bank of Canada
affiliated with
First National City Bank
1177 West Hastings Street,
Vancouver, British Columbia

Registrar and Transfer Agent

National Trust Company Limited,
510 Burrard Street,
Vancouver, British Columbia

Capitalization

Authorized: 5,000,000 shares
50c par value
Issued: 3,500,002 shares
(as of June 18, 1969)

Listing

The shares of the Company are listed
on the Vancouver Stock Exchange.

July, 1969



Anuk River Mines Ltd. (N.P.L.)



Aerial photo taken July 4, 1969, shows Atlantic-Humble discovery well and adjacent air-strip at Prudhoe Bay on Alaska's North Slope. On the horizon is the Arctic Ocean and the polar ice-cap.

Report of the Board of Directors



to the Shareholders of Anuk River Mines Ltd. (N.P.L.)

Your Company is looking forward to a very busy and successful year.

For example, we have entered into agreements to acquire overriding royalties on extensive oil lease property in the exciting North Slope of Alaska, some within 12 miles of the Prudhoe Bay discovery; we expect to commence drilling on our copper and molybdenum prospect adjacent to the Brenda Mines site, near Peachland, British Columbia; and the contract has been let for an airborne geological survey of our Wollaston Lake area uranium prospect in Saskatchewan.

We are pleased to report also that your Company has been successful in securing financing by Yorkshire Securities Ltd. of Vancouver.

We anticipate a very productive year, indeed!

Respectfully submitted,
The Board of Directors.

July, 1969



Anuk River Mines Ltd. (N.P.L.)

**LEASE
LOCATION
MAP**



NORTH SLOPE, ALASKA

Acquisition of Oil Royalties in Alaska

In January, 1968, Atlantic Richfield Co. struck oil in Prudhoe Bay on the North Slope of Alaska. That summer a second strike was made seven miles away at Sag River — and Atlantic Richfield and its partner, Humble Oil, learned that it was sitting on an oilfield then estimated to contain 5-10 billion barrels.

The April, 1969, issue of Fortune Magazine describes the find: "except possibly for the discovery of the five billion-barrel East Texas field in 1930, the Alaska strike was the most exciting find in the history of oil in North America".

No-one knows how much oil lies there or how large the play is — conservative estimates now place the North Slope reserve at more than 45 billion barrels of oil and 270 trillion cubic feet of gas. Such reserves would place the North Slope among the two largest oilfields ever discovered — Greater Burgan in Kuwait with 62 billion barrels and the Ghawar field in Saudi Arabia with 45-billion barrels.

Anuk River is sharing in the excitement.

Through our subsidiary, Anuk Oil Co. Inc. (90%-owned by Anuk River Mines Ltd.), we have entered into agreements to acquire overriding royalties on extensive North Slope oil leases owned by the following oil company exploration partnerships: Atlantic-Humble, Mobil-Phillips, Atlantic-Pan Am-Sun, Shell Standard of California and Home Oil Company.

The properties consist of three blocks. The first comprises 31 leases encompassing 78,532 acres; the second is made up of 23 leases totalling 58,578 acres and the third, 42 leases covering 101,627 acres. Anuk's total gross coverage is 238,737 acres and amounts to 5,647.73 net royalty acres.

Some of the leases are within 12 miles of the original discovery; and a total of 20 leases in the first group are within 35 miles of the much-publicized wells at Prudhoe Bay; and 12 leases in the second group are within 40 miles of Prudhoe Bay.

Total consideration for the purchase of these blocks amounted to \$1,500,000 in Canadian funds.

We have also entered into an option agreement whereby we may acquire an additional 3,415.42 net royalty acres over 107,502 gross acres.

In the event the option is exercised, the Company will then own 9063.15 net royalty acres covering a total of 346,239 gross acres, and will have invested a total of approximately \$2,500,000 on the North Slope.

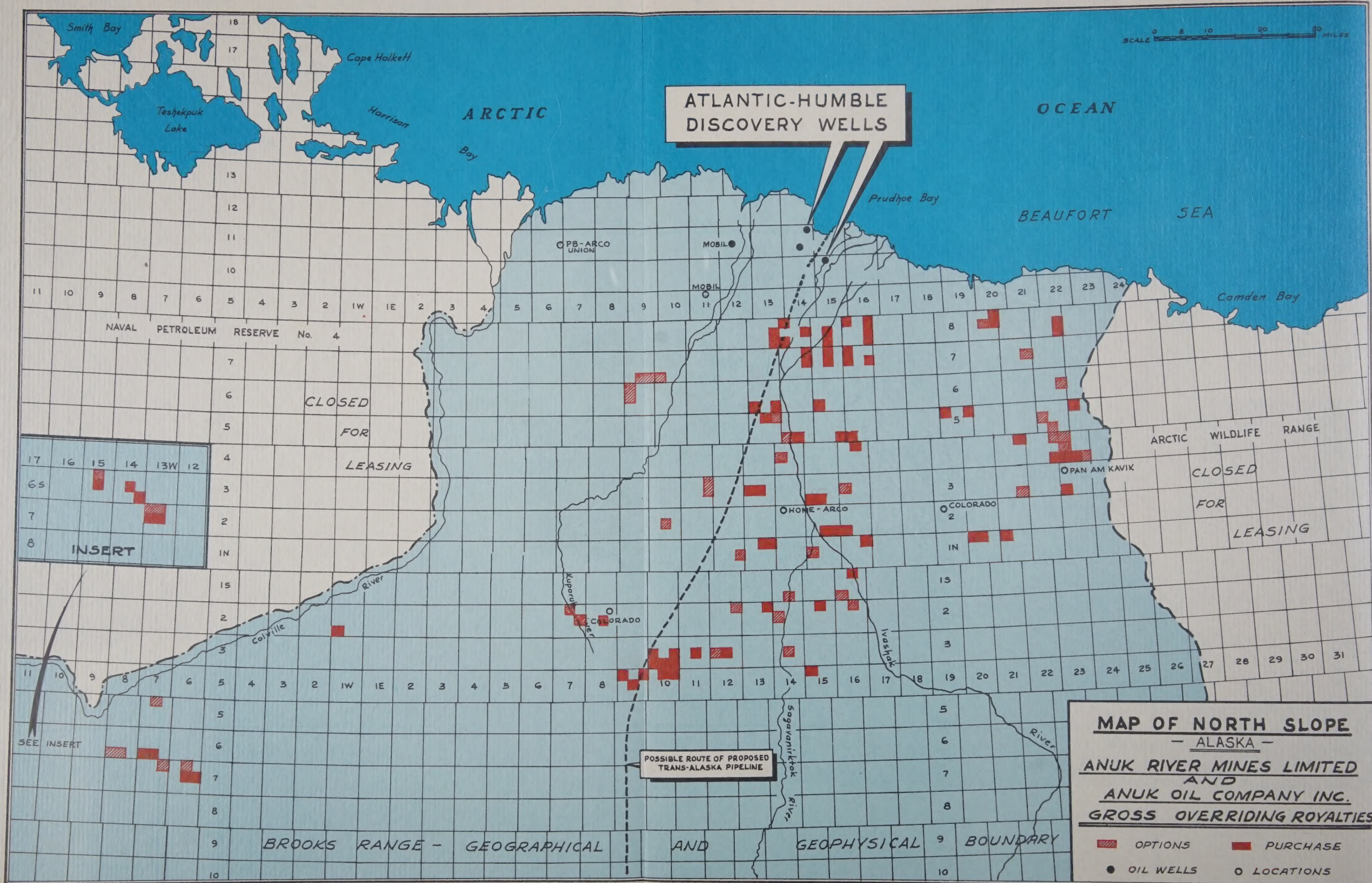
Our gross overriding royalties represent a "non working" or "off-the-top" interest in the leases, with any royalty revenue payable to Anuk prior to recovery of exploration and production expenses, which must be borne by the aforementioned companies.

Management believes our participation may be equated to approximately a 3% working interest - i.e. (if Anuk were to be sharing expenses), in the gross acreage held. By way of comparison, the major portion of Banff Oil's highly successful participation in the Rainbow field in northern Alberta represented only a 5% working interest in two reservations which contained a total of 161,280 gross acres, and under the Alberta Government regulations the amount of acreage which could be converted to lease was one-half of this amount. The Rainbow discovery well was drilled in 1965, and since that date Banff's reserves have increased approximately 24 million barrels. The vast majority of this increase came from within the confines of the aforementioned 161,280 gross reservation acres and one must bear in mind that Banff incurred substantial additional costs, in so far as it had to purchase at competitive sale additional portions of its original reservation acreage in order to maintain its discovery position.

Production from the Prudhoe area is now scheduled to begin in 1972 with oil to be moved to southern Alaska tanker-points via a \$1 billion pipeline. Pipe for this line has been ordered from Japan and construction is expected to commence before the end of this summer.

It is the intention of the Company to increase its holdings in this area.

The North Slope



The Mac Group

A Copper-Molybdenum Prospect in British Columbia

The Mac Group consists of 10 mineral claims and fractions abutting the working property of Brenda Mines Ltd., located 13 miles northwest of Peachland in British Columbia's Okanagan Valley.

Anuk River Mines Ltd. owns Mac claims 10 through 18, inclusive and a fraction of Mac 4, purchased at a cost of \$100,000 — of which \$80,000 has been paid. The balance is payable this year in equal amounts of \$10,000 on June 30 and December 31.

Four of the claims were subject to dispute, subsequently settled with Brenda which agreed to pay to Anuk 25% of the net profit received by Brenda from the sale of ore from the claims.

Anuk also granted to Brenda surface rights for a main haulage road over a portion of Mac 18, which is strategically located between Brenda's open pit and its primary crusher plant. Indeed, Brenda's power line also crosses this claim (Please see accompanying illustration).

Previous work done by Anuk has included a topographical map prepared from air photos, construction of a two-mile access road across the claim, the cutting of 30,000 feet of control lines and the carrying out of a geochemical survey over the northeastern portion of the property.

A total of 23 percussion holes were drilled at intervals along the access road — of which 18 hit bedrock and five were abandoned in overburden. Fifteen diamond drill holes were drilled in the northeastern portion of the property, using BX wireline equipment.

Vancouver consulting geologist Dr. Arthur G. Pentland reported that the geochemical survey showed some areas of high copper, particularly in the northeast corner.

Percussion drill holes and diamond drill holes were drilled to test these results — but the majority of the holes indicated material that was too low-grade to be of interest.

However, Dr. Pentland reported that a group of them near the south-central part of the Mac 18 mineral claim shows copper-molybdenum mineralization of a type similar to Brenda. Average assays of these holes are as follows:

			Length	Cu	MoS ₂
Percussion Hole	5	10-130	120	0.15%	0.134%
Diamond Drill	2	9-140	131	0.07	0.13
	3	50-110	60	0.05	0.14
	5	130-214	84	0.08	0.09

By way of comparison, the current annual report of Brenda Mines states that calculations are that the pit design contains reserves estimated at 177 million tons grading .183% Cu and .049% Mo. Brenda states that these reserves include 2 million tons to be mined during the first three years, grading .212% Cu and .063% Mo; and that metallurgical tests have indicated a potential recovery of 88% for copper and 82% for molybdenum for separate concentrates at the grade of ore to be mined initially.

Dr. Pentland's report on Anuk's group of holes suggests the possibility that a tongue of ore from the Brenda property may penetrate into Mac 18. If it can be shown that this is true and the grade is sufficiently good, the ore could be mined as an extension of the Brenda open pit, he said. Therefore, he adds, it is important to thoroughly test the area before planning for the Brenda operation has gone too far.

Thusly, Anuk proposed to drill four diamond drill holes, each 500 feet deep — two of these laid out close to the northwest boundary of Mac 18 where it adjoins Brenda ground. (Please see accompanying illustration). These holes, says Dr. Pentland, will help to determine whether a tongue of ore does, in fact, come out from the Brenda orebody and cross into Anuk ground.

The other two holes are laid out to test the possible continuation of the tongue to the southeast, beyond the area already tested by percussion and diamond drill holes.

Dr. Pentland recommends a wireline type of drill should be used in order to insure good core recovery. Contract price for the job, plus added expenses for casing, would be approximately \$16 per foot — or a total of \$32,000 for 2,000 feet of drilling.

Additional costs for engineering, travelling, assaying and contingencies would bring the total cost for proposed exploration to \$38,500.

Aerial view dramatically illustrates proximity of Anuk River Mines Ltd. property and the Brenda Mines Ltd. complex, near Peachland, British Columbia. Photo was taken for Anuk by Henry Tregillas of Graphic Industries Ltd. of Vancouver from a helicopter, April 15th, 1969.

K.W.W. No. 1 FR
0.047 ACRES

K.W.W. No. 4 FR
LOT-5154 7.53 ACRES

K.W.W. No. 5 FR
0.17 ACRES

PROPOSED DIAMOND
DRILLING PROGRAM

No. 3

No. 1

No. 2 ★ PD5

Anuk River Mines Ltd. (N.P.L.)



Great Slave Mines Permit No. 1

A Uranium Prospect in Saskatchewan

Anuk has been granted the right to earn an undivided 50% interest in Mineral Exploration Permit No. 1, held by Great Slave Mines Ltd. — by spending \$30,000 on an airborne radiometric survey on the permit. The property comprises 97,000 acres and is located 210 air miles northwest of Lac La Ronge in the exciting uranium exploration play surrounding the Wollaston Lake Basin of Northern Saskatchewan. (Please see accompanying map).

The area is generally described as underlain by flat-lying Athabasca sandstone, covered by a light mantle of glacial drift. Elevation is from 1700 to 1800 feet above sea level, and is flat — with lakes and swamps alternating with low sandy ridges.

The Saskatchewan uranium play which promises to be one of the most exciting in Canada, got underway in December — primarily as a consequence of results of a diamond drill hole announced by Gulf Minerals Ltd. in the Wollaston Lake area, but also as a result of new geological thinking about the uranium potential of little-explored northern Saskatchewan fold-belt systems, and of the younger Athabasca sandstone. Gulf's announcement stated that the company "has drilled an exploratory hole in which it encountered ore grade uranium mineralization. The hole was drilled at an angle to a depth of approximately 500 feet. A gamma ray log showed an equivalent average grade of approximately 0.60 uranium oxide in selected zones totalling 195 feet." Gulf has announced also that it plans an expanded field program costing in excess of \$750,000 as soon as field conditions permit.

At the time of Gulf's December announcement, a press statement issued by the Saskatchewan provincial government said of the discovery: "Assay results indicate uranium mineralization of a grade equal to Beaverlodge uranium values — and four to five times better than the grade of ore in the Elliott Lake uranium mines in Ontario."

The play covers the whole northern portion of Saskatchewan and the provincial government expects that some \$20 million will be spent on exploration by a large number of permit holders within the next three years. Within a month of Gulf's announcement, for example, application had been made for 140 permits.

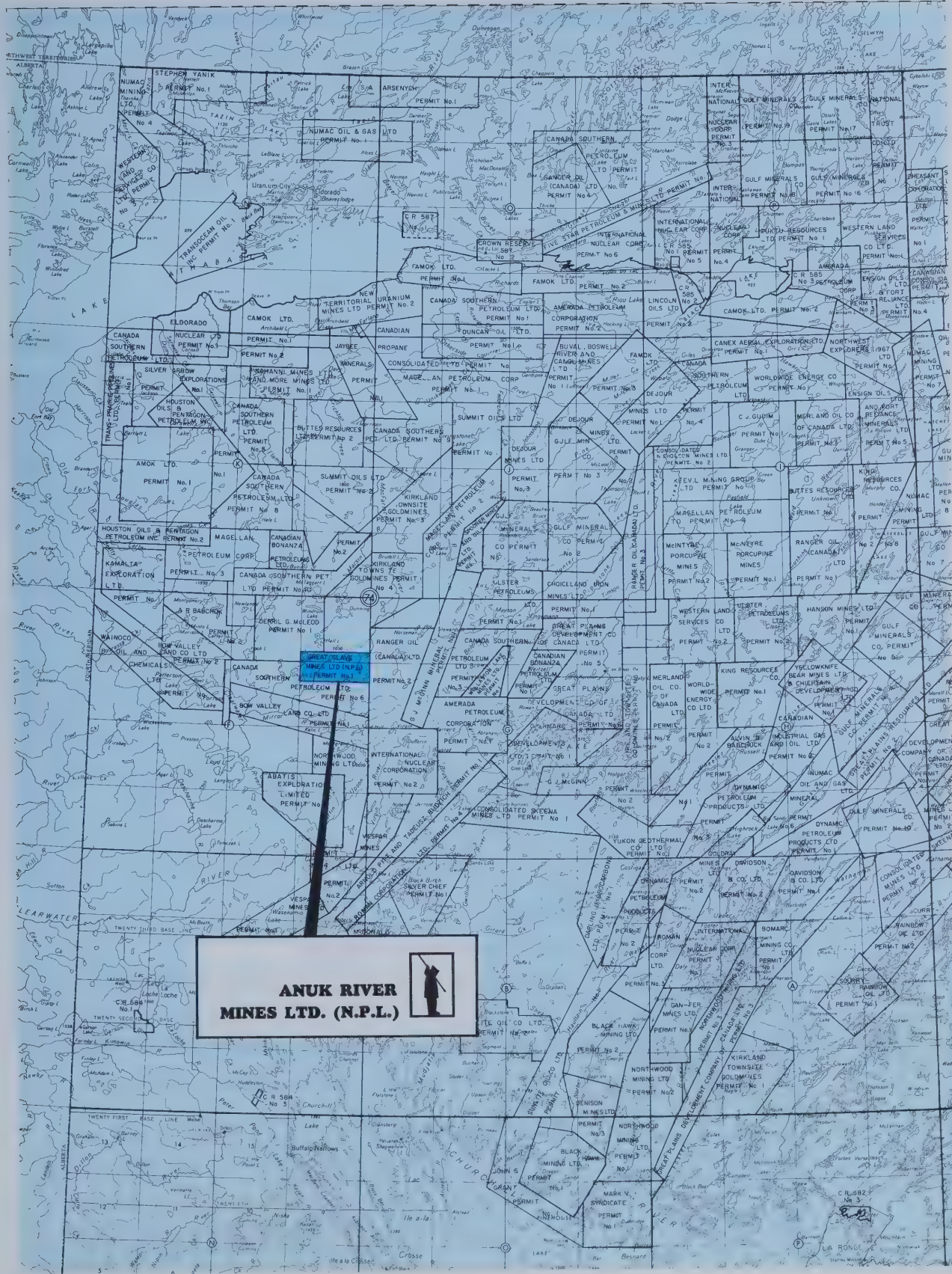
The identity of the mineralized formation has not yet been announced, though published maps indicate the discovery hole was drilled on a permit west of Wollaston Lake within the area underlain by Athabasca sandstone. (Gulf's agreement with New Continental Oil was signed last spring and involved joint exploration on 1.7 million acres, mostly within the area of occurrence of the Athabasca sandstone). At the time, Gulf's release stated that its "initial interest in the Athabasca formation was based on the results of an airborne radiometric survey. Under terms of an agreement with Gulf Minerals, New Continental Oil will share in earnings from commercial operations should such result from Gulf's exploration activity in the area of the Athabasca sandstone formation."

Consulting geologist Frank F. Gray of Calgary, reporting to Great Slave Mines, surmises therefore, that Gulf's main interest is in the Athabasca sandstone and that the initial drilling was in the Athabasca sandstone. However, he points out, since the discovery, Gulf has filed on additional permits along the Wollaston Lake trend to the north of the lake.

Gray reports that the Wollaston Lake foldbelt is clearly prospective for both base metals and uranium as it resembles the "linear mobile belts" of the Beaverlodge area, which contain the major part of the uranium occurrences and reserves in that area. With the similarity, Gray concludes that it would be surprising if uranium is not, or has not been present in the Wollaston Lake belt.

"And," says Gray, "if we can conclude that the Wollaston Lake belt is a favourable environment for uranium, then the Athabasca sandstone would be even more favourable, since much of what uranium must have existed in the foldbelt would have been transported by fluctuating streams into the Athabasca sandstone basin — and the lithology of the Athabasca would be most conducive to high grades and low mining costs." Considering the terrain of the Great Slave Permit, Gray recommends an airborne radiometric survey as the most logical, practical and economical tool to determine if uranium does occur at the near surface. A gamma-ray spectrometer, which distinguishes radioactivity emitted by uranium from that caused by non-economic minerals and cosmic effects, would give the best results, he said.

Anuk will therefore proceed on the necessary \$30,000 expenditure as soon as weather conditions permit.



**ANUK RIVER
MINES LTD. (N.P.L.)**



Balance Sheet as at October 31, 1968 (with comparative figures for 1967)

ASSETS

	1968	1967
CURRENT ASSETS		
Cash	\$ 9,734	\$ 37,642
6% bank deposit receipt due November 8, 1968	35,000	—
Loan receivable	—	1,000
Expense advances	—	1,000
	<u>\$ 44,734</u>	<u>\$ 39,642</u>
MINERAL CLAIMS (Note 1)	\$ 75,002	\$ 75,002
MINERAL CLAIMS AND LEASE UNDER OPTION TO PURCHASE (Note 2)	<u>\$ 65,000</u>	<u>\$ 40,750</u>
FIXED ASSETS, at cost		
Automobile	\$ —	\$ 4,522
Field equipment	—	10,469
Office furniture and equipment	1,982	2,233
	<u>\$ 1,982</u>	<u>\$ 17,224</u>
Less accumulated depreciation	703	4,847
	<u>\$ 1,279</u>	<u>\$ 12,377</u>
DEFERRED CHARGES		
Exploration and development and administrative expenses	\$ 248,994	\$ 240,106
Commission on sale of shares	37,500	37,500
Incorporation expense	1,196	1,196
	<u>\$ 287,690</u>	<u>\$ 278,802</u>
	<u>\$ 473,705</u>	<u>\$ 446,573</u>

Auditors' Report

To the Shareholders of Anuk River Mines Ltd. (N.P.L.)

We have examined the balance sheet of Anuk River Mines Ltd. (N.P.L.) as at October 31, 1968 and the statements of exploration and development and administrative expenses, deficit and source and application of working capital for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We did not search the title of the mineral claims but relied upon the opinion given by the solicitor for the company.

In our opinion these financial statements present fairly the financial position of the company as at October 31, 1968 and the results of its operation and the source and application of its working capital for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
April 30, 1969.

GUNDERSON STOKES WALTON & CO.,
Chartered Accountants.

Anuk River Mines Ltd. (N.P.L.)



LIABILITIES AND SHAREHOLDERS EQUITY

	1968	1967
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 10,722	\$ 1,572
SHAREHOLDERS' EQUITY		
Share capital: (Note 3)		
Authorized		
5,000,000 shares with a nominal or par value of 50c each	\$ 2,500,000	
Issued and fully paid		
650,000 shares for mineral claims	\$ 325,000	\$ 325,000
Less discount	260,000	260,000
	\$ 65,000	\$ 65,000
1,250,002 shares for cash (1967 - 1,050,002)	\$ 625,001	\$ 525,001
Less discount	195,000	145,000
	\$ 430,001	\$ 380,001
	\$ 495,001	\$ 445,001
Deficit	32,018	—
	\$ 462,983	\$ 445,001
	\$ 473,705	\$ 446,573

Approved on Behalf of the Board

"LELAND R. SMITH", Director

"GEORGE A. WILKINSON", Director

The accompanying notes to the financial statements are an integral part thereof.

This is the balance sheet referred to in the accompanying report of Gunderson Stokes Walton & Co., Chartered Accountants, dated April 30, 1969.

Statement of Source and Application of Working Capital

For the Year Ended October 31, 1968 (with comparative figures for 1967)

	1968	1967
WORKING CAPITAL AT BEGINNING OF YEAR	\$ 38,070	\$ 96,181
SOURCE OF WORKING CAPITAL		
Proceeds from sale of automobile and field equipment	\$ 7,560	\$ —
Proceeds from issue of shares	50,000	85,000
	\$ 57,560	\$ 85,000
	\$ 95,630	\$ 181,181
APPLICATION OF WORKING CAPITAL		
Exploration and development and administrative expenses	\$ 34,338	\$ 119,527
Less charge not involving an outlay of working capital:		
Depreciation	320	4,847
Interest in grub-stake agreement written-off	—	1,000
Claims written-off	—	2,616
	\$ 34,018	\$ 111,064
Acquisition of mineral claims	—	1
Payments on mineral claims and lease under option to purchase	26,500	15,750
Acquisition of fixed assets	—	16,296
Write-off of loan receivable	1,100	—
	\$ 61,618	\$ 143,111
WORKING CAPITAL AT END OF YEAR	\$ 34,012	\$ 38,070
WORKING CAPITAL IS REPRESENTED BY		
Current assets	\$ 44,734	\$ 39,642
Current liabilities	10,722	1,572
	\$ 34,012	\$ 38,070

The accompanying notes to the financial statements are an integral part thereof.

This is the statement of source and application of working capital referred to in the accompanying report of Gunderson Stokes Walton & Co., Chartered Accountants, dated April 30, 1969.

Notes to Financial Statements

October 31, 1968

1. MINERAL CLAIMS - \$75,002

The company owns the following mineral claims in British Columbia:

(a) Liard Mining Division

24 claims at a value attributed to 650,000 shares of the capital stock of the company issued therefor	\$ 65,000
3 claims at nominal value	1

(b) Osoyoos and Similkameen Mining Divisions

A 60% interest in and to 26 claims purchased for cash	10,000
13 claims at nominal value	1
	<u>\$ 75,002</u>

2. MINERAL CLAIMS AND LEASES UNDER OPTION TO PURCHASE - \$65,000

The company has an option to purchase ten mineral claims in the Osoyoos Mining Division of British Columbia for a total cash consideration of \$100,000 of which \$65,000 has been paid to October 31, 1968. The balance of \$35,000 is payable as follows:

December 31, 1968	\$ 15,000
June 30, 1969	10,000
December 31, 1969	10,000
	<u>\$ 35,000</u>

During the year an option to purchase seven mineral claims and a lease in the Osoyoos Mining Division of British Columbia was terminated and the payments made thereon of \$2,250, of which \$1,500 was paid in 1968, were written-off to deficit.

3. SHARE CAPITAL

Pursuant to an underwriting agreement dated January 28, 1969, 600,000 shares in the capital stock of the company have been issued between that date and the date of this report for a net cash consideration of \$160,000.

4. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate remuneration paid to directors and senior officers of the company for the year ended October 31, 1968 was \$12,261.

Auditors' Report

To the Shareholders of Anuk River Mines Ltd. (N.P.L.)

We have examined the balance sheet of Anuk River Mines Ltd. (N.P.L.) as at April 30, 1969 and the statements of exploration and development and administrative expenses and source and application of working capital for the six months then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We did not search the title of mineral claims but relied upon the opinion given by the solicitor for the company.

In our opinion these financial statements present fairly the financial position of the company as at April 30, 1969 and the results of its operations and the source and application of its working capital for the six months then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GUNDERSON STOKES WALTON & CO.,
Chartered Accountants.
Vancouver, B.C.
May 15, 1969.

The accompanying notes to the financial statements are an integral part thereof.

This is the balance sheet referred to in the accompanying report of Gunderson Stokes Walton & Co., Chartered Accountants, dated May 15, 1969.

Balance Sheet

As At April 30, 1969

ASSETS

CURRENTS ASSETS

Bank term deposits:			
6¾ % due May 26, 1969	\$ 110,000		
6¾ % due May 31, 1969	60,000		
	<u>\$ 170,000</u>		
Add accrued interest	81	\$ 170,081	
Prepaid expenses		<u>2,000</u>	\$ 172,081
MINERAL CLAIMS AND PERMIT (Note 1)			75,003
MINERAL CLAIMS UNDER OPTION TO PURCHASE (Note 2)			<u>80,000</u>
FIXED ASSETS			
Office furniture and equipment, at cost	\$ 1,982		
Less accumulated depreciation	<u>831</u>		1,151
DEFERRED CHARGES			
Exploration and development and administrative expenses	\$ 258,447		
Commission on sale of shares	37,500		
Incorporation expense	<u>1,196</u>		297,143
			<u>\$ 625,378</u>

LIABILITIES AND SHAREHOLDERS EQUITY

CURRENT LIABILITIES

Bank overdraft	\$ 346		
Accounts payable and accrued liabilities	<u>2,049</u>	\$ 2,395	

SHAREHOLDERS' EQUITY

Share capital:			
Authorized			
5,000,000 shares with a nominal or par value of 50c each	<u>\$ 2,500,000</u>		
Issued and fully paid			
2,500,002 shares (Note 3)	<u>\$ 655,001</u>		
Deficit			
Balance October 31, 1968 and April 30, 1969	<u>32,018</u>	622,983	
		<u>\$ 625,378</u>	

Approved on Behalf of the Board

"LELAND R. SMITH", Director

"GEORGE A. WILKINSON", Director

Statement of Exploration and Development and Administrative Expenses

For the Period November 12, 1965 to April 30, 1969

	Nov. 12/65 to Oct. 31/68	Nov. 1/68 to Apr. 30/69	Total
EXPLORATION AND DEVELOPMENT			
Assessment work and assays	\$ 9,529	\$ —	\$ 9,529
Bulldozing	13,831	—	13,831
Consulting and engineering fees	31,563	2,500	34,063
Depreciation	4,464	—	4,464
Drilling	52,282	—	52,282
Field supplies and miscellaneous equipment	9,217	—	9,217
Freight	977	—	977
Lease equipment	3,775	—	3,775
Maintenance	220	—	220
Miscellaneous	549	—	549
Staking and recording fees	4,120	—	4,120
Surveying	7,646	—	7,646
Telephone	340	—	340
Travel and accommodations	20,243	—	20,243
Wages	23,931	—	23,931
	<u>\$ 182,687</u>	<u>\$ 2,500</u>	<u>\$ 185,187</u>
ADMINISTRATIVE			
Advertising	\$ 1,595	\$ 627	\$ 2,222
Depreciation	703	128	831
Employee benefits	2,888	(126)	2,762
Insurance	760	—	760
Legal and audit	11,816	2,012	13,828
Miscellaneous	2,825	336	3,161
Office rent, net	4,717	76	4,793
Office supplies	896	—	896
Postage	467	—	467
Printing and stationery	2,865	—	2,865
Promotion	7,082	—	7,082
Registration and transfer fees	2,132	275	2,407
Secretarial services	—	1,350	1,350
Salaries	26,894	—	26,894
Stock exchange listing fee	1,550	500	2,050
Telephone	1,237	278	1,515
Travel	1,836	2,264	4,100
	<u>\$ 70,263</u>	<u>\$ 7,720</u>	<u>\$ 77,983</u>
Less interest earned	<u>3,956</u>	<u>767</u>	<u>4,723</u>
	<u>\$ 66,307</u>	<u>\$ 6,953</u>	<u>\$ 73,260</u>
	<u>\$ 248,994</u>	<u>\$ 9,453</u>	<u>\$ 258,447</u>

The accompanying notes to the financial statements are an integral part thereof.

This is the statement of exploration and development and administrative expenses referred to in the accompanying report of Gunderson Stokes Walton & Co., Chartered Accountants, dated May 15, 1969.

Statement of Source and Application of Working Capital

For the Six Months Ended April 30, 1969

WORKING CAPITAL OCTOBER 31, 1968 \$ 34,012

SOURCE OF WORKING CAPITAL

Proceeds from issue of shares 160,000
\$ 194,012

APPLICATION OF WORKING CAPITAL

Exploration and development and administrative expense	\$ 9,453	
Add interest in mineral exploration permit set up at nominal value	<u>1</u>	
	\$ 9,454	
Less depreciation	<u>128</u>	
	\$ 9,326	
Payments on mineral claims under option to purchase	<u>15,000</u>	<u>24,326</u>

WORKING CAPITAL APRIL 30, 1969 \$ 169,686

WORKING CAPITAL IS REPRESENTED BY

Current assets	\$ 172,081
Current liabilities	<u>2,395</u>
	<u>\$ 169,686</u>

Notes to Financial Statements

April 30, 1969

1. MINERAL CLAIMS AND PERMIT - \$75,003

The company owns the undernoted mineral claims and has the right to earn an interest in the undernoted permit:

(a) Liard Mining Division

24 claims at a value attributed to 650,000 shares of the capital stock of the company issued therefore	\$ 65,000
3 claims at nominal value	1

(b) Osoyoos and Similkameen Mining Divisions

A 60% interest in and to 26 claims purchased for cash	10,000
13 claims at nominal value	1

(c) Northern Saskatchewan

The right to earn an undivided 50% interest (subject to carried interests of 7½ % and 5%) in mineral exploration permit No. 1 situated 210 air miles northwest of Lac La Ronge, Saskatchewan, by spending \$30,000 on an airborne radiometric survey or by spending such amount or any portion thereof on any other exploration work recommended by a qualified consulting engineer or geologist, such expenditure to be made on or before August 30, 1969, at nominal value

1
<u>\$ 75,003</u>

2. MINERAL CLAIMS UNDER OPTION TO PURCHASE - \$80,000

The company has an option to purchase ten mineral claims in the Osoyoos Mining Division of British Columbia for a total cash consideration of \$100,000 of which \$80,000 has been paid to April 30, 1969. The balance of \$20,000 is payable as follows:

June 30, 1969	\$ 10,000
December 31, 1969	\$ 10,000
	<u>\$ 20,000</u>

3. SHARE CAPITAL ISSUED AND FULLY PAID

	Number of Shares	Par Value	Discount	Net
For mineral claims:				
Balance October 31, 1968 and				
April 30, 1969	\$ 650,000	\$ 325,000	\$ 260,000	\$ 65,000
For cash:				
Balance October 31, 1968	\$ 1,250,002	\$ 625,001	\$ 195,000	\$ 430,001
Issued during the period	600,000	300,000	140,000	160,000
Balance April 30, 1969	\$ 1,850,002	\$ 925,001	\$ 335,000	\$ 590,001
	<u>\$ 2,500,002</u>	<u>\$ 1,250,001</u>	<u>\$ 595,000</u>	<u>\$ 655,001</u>

Anuk River Mines Ltd. (N.P.L.)



Prominent Anchorage geologist Mr. Lum Lovely Jr. (center) receives cheque for \$100,000, as first instalment of a total of \$550,610.50 in U.S. funds to be paid to him by Anuk River Mines Ltd. subsidiary, in exchange for overriding royalties on oil leases on Alaska's exciting North Slope. On hand to make the recent presentation were Company solicitor James E. McInnes (left) and Company founder and director Philip H. Garraway.

